

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**

**Financial Statements as of December 31, 2013 and 2012  
and for the Years then Ended  
and Independent Auditors' Report**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date SEP 10 2014

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**

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Certified Public Accountants & Consultants

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
St. Tammany Children's Advocacy Center, Inc.  
Covington, Louisiana

We have audited the accompanying statements of St. Tammany Children's Advocacy Center, Inc. (A Louisiana nonprofit organization) (the Center), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities and changes in net assets, cash flows, and functional expenses for the years then ended, and the related notes to financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Center's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Tammany Children's Advocacy Center, Inc. as of December 31, 2013 and 2012, and the changes in its net assets, cash flows, and functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Gurtner Zuniga Abney, LLC*

New Orleans, Louisiana

June 18, 2014

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2013 AND 2012**

<b>ASSETS</b>	<u>2013</u>	<u>2012</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 192,136	\$ 68,342
Accounts receivable	9,343	16,468
Prepaid insurance	<u>-</u>	<u>797</u>
Total current assets	201,479	85,607
 CERTIFICATES OF DEPOSIT	 23,025	 45,992
 PROPERTY AND EQUIPMENT, net	 <u>127,073</u>	 <u>136,146</u>
 TOTAL ASSETS	 <u><u>\$ 351,577</u></u>	 <u><u>\$ 267,745</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	<u>\$ 2,037</u>	<u>\$ 7,810</u>
Total current liabilities	2,037	7,810
 NET ASSETS - Unrestricted	 <u>349,540</u>	 <u>259,935</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 351,577</u></u>	 <u><u>\$ 267,745</u></u>

See independent auditors' report and accompanying notes to financial statements.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>SUPPORT AND REVENUES</b>		
Public funds	\$ 108,742	\$ 94,594
Donations	57,516	37,441
Grants	112,468	58,159
Fundraisers	143,461	94,251
Interest income	145	3,964
	<u>422,332</u>	<u>288,409</u>
<b>EXPENSES</b>		
Program services	199,562	192,189
Management and general	73,626	76,637
Fundraising	59,539	59,033
	<u>332,727</u>	<u>327,859</u>
<b>CHANGE IN NET ASSETS</b>	89,605	(39,450)
<b>NET ASSETS - Beginning of year</b>	<u>259,935</u>	<u>299,385</u>
<b>NET ASSETS - End of year</b>	<u><u>\$ 349,540</u></u>	<u><u>\$ 259,935</u></u>

See independent auditors' report and accompanying notes to financial statements.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2013**

	Program Services	Management and General	Fundraising	Total
<b>EXPENSES</b>				
Salaries	\$ 101,544	\$ 61,899	\$ 20,525	\$ 183,968
Insurance	23,067	1,282	1,282	25,631
Payroll taxes	8,418	5,131	1,702	15,251
Depreciation	9,073	-	-	9,073
Other	13,394	745	745	14,884
Repairs and maintenance	4,233	-	-	4,233
Fundraising	-	-	26,736	26,736
Office expenses	5,507	306	306	6,119
Utilities	4,404	245	245	4,894
Telephone	5,925	329	329	6,583
Professional fees:				
Counseling	1,560	-	-	1,560
Accounting	8,071	-	-	8,071
Dues and subscriptions	3,178	-	-	3,178
Printing	524	29	29	582
Travel	1,510	-	-	1,510
Automobile	-	2,439	2,439	4,878
Benefits	-	-	4,627	4,627
Training	3,761	-	-	3,761
Payroll fees	1,425	869	288	2,582
Postage	514	29	29	572
Advertising and promotions	599	-	257	856
Bad debt expense	-	-	-	-
Bank charges	-	323	-	323
Capital outlay	2,855	-	-	2,855
<b>Total expenses</b>	<b>\$ 199,562</b>	<b>\$ 73,626</b>	<b>\$ 59,539</b>	<b>\$ 332,727</b>

See independent auditors' report and accompanying notes to financial statements.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2012**

	Program Services	Management and General	Fundraising	Total
<b>EXPENSES</b>				
Salaries	\$ 101,255	\$ 63,645	\$ 22,521	\$ 187,421
Insurance	15,266	848	848	16,962
Payroll taxes	8,424	5,295	1,874	15,593
Depreciation	9,807	-	-	9,807
Other	11,966	665	665	13,296
Repairs and maintenance	6,511	-	-	6,511
Fundraising	-	-	17,230	17,230
Office expenses	6,974	387	387	7,748
Utilities	4,042	225	225	4,492
Telephone	7,050	392	392	7,834
Professional fees:				
Counseling	1,959	-	-	1,959
Accounting	5,500	-	-	5,500
Dues and subscriptions	3,015	-	-	3,015
Printing	1,669	93	93	1,855
Travel	2,095	-	-	2,095
Automobile	-	1,742	1,742	3,484
Benefits	-	-	11,991	11,991
Training	2,661	-	-	2,661
Payroll fees	1,271	799	283	2,353
Postage	259	14	14	287
Advertising and promotions	1,791	-	768	2,559
Bad debt expense	-	2,200	-	2,200
Bank charges	-	332	-	332
Capital outlay	674	-	-	674
<b>Total expenses</b>	<b>\$ 192,189</b>	<b>\$ 76,637</b>	<b>\$ 59,033</b>	<b>\$ 327,859</b>

See independent auditors' report and accompanying notes to financial statements.



**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 89,605	\$ (39,450)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,073	9,807
Changes in operating assets and liabilities:		
Accounts receivable	7,125	(1,646)
Prepaid insurance	797	-
Accounts payable and accrued liabilities	<u>(5,773)</u>	<u>5,773</u>
Net cash provided by (used in) operating activities	100,827	(25,516)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sales (purchases) of certificates of deposits	<u>22,967</u>	<u>(126)</u>
Net cash provided by (used in) investing activities	<u>22,967</u>	<u>(126)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>123,794</b>	<b>(25,642)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of year</b>	<u>68,342</u>	<u>93,984</u>
<b>CASH AND CASH EQUIVALENTS - End of year</b>	<u><b>\$ 192,136</b></u>	<u><b>\$ 68,342</b></u>

See independent auditors' report and accompanying notes to financial statements.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Nature of Activities*** – The St. Tammany Children's Advocacy Center, Inc. (a Louisiana nonprofit organization) (the Center) was chartered on May 31, 1994 and is a nonprofit organization dedicated to providing a child-oriented, multidisciplinary forensic interview environment facility and counseling center for victims of abuse and their families.

***Basis of Accounting*** – The financial statements of the Center have been prepared on the accrual basis of accounting, whereby revenues are recognized when earned and expenses are recognized when incurred. All significant receivables, payables, and other liabilities are recorded.

***Basis of Presentation*** – The Center is required to report information regarding its financial position and activities according to separate classes of net assets as follows:

***Unrestricted*** – Assets and contributions that are not restricted by donors, grants or contracts or for which there are no restrictions.

***Temporarily restricted*** – A donor, grant or contract imposed restriction that permits the Center to use the donated funds as specified. The use of the funds is restricted by purpose and/or until the passage of time. No temporarily restricted net assets existed as of December 31, 2013 and 2012.

***Permanently restricted*** – The portion of a grant or contract that is restricted by the donor or by law to be maintained by the Center in perpetuity. There were no permanently restricted net assets as of December 31, 2013 and 2012.

***Revenue Recognition*** – Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted, depending on existence and/or nature of any donor restrictions. Restricted net assets are reclassified to unrestricted net assets upon satisfaction of the donor imposed time or purpose restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires in the reporting period in which the support is recognized. For the years ended December 31, 2013 and 2012, the Center had only unrestricted revenues.

The Center reports gifts of goods and equipment as unrestricted support unless explicit donor stipulations specify how the donated asset must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor restrictions about how long those long-lived assets must be maintained, the Center reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

There was no contributed property, materials, or services meeting the requirements for recognition in the financial statements for the years ended December 31, 2013 and 2012. In addition, a substantial number of volunteers have contributed significant amounts of their time in the Center's program services and fundraising. However, as these volunteer services did not meet all of the applicable requirements of Financial Accounting Standards Board guidelines, the Center has not recorded an expense or donation in the financial statements for these volunteered services.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**Cash and Cash Equivalents** – For purposes of the statements of cash flows, the Center considers all short-term investments with an original maturity of three months or less to be cash equivalent.

**Accounts Receivable** – The financial statements of the Center contain no allowance for doubtful trade receivables. Uncollectible trade receivables are charged directly against earnings when they are determined to be uncollectible. Management believes use of this method does not result in a material difference from the valuation method required by accounting principles generally accepted in the United States of America.

**Prepaid Expenses** – Prepaid expenses record payments to vendors that benefit future reporting periods. As of December 31, 2013 there were no prepaid expenses. As of December 31, 2012 prepaid expenses were \$797. This amount represents the unused portion of insurance policies in effect at year end.

**Certificates of Deposit** – The Center invests in certificates of deposit with local financial institutions. The maturity dates of these certificates of deposit are generally one year or greater. It is the Center's intention to hold these certificates of deposit to maturity.

**Property and Equipment** – Property and equipment are recorded at cost when purchased and at fair market value when received as a donation. Expenditures for maintenance and repairs are charged against earnings when incurred. It is the Center's policy to capitalize expenditures for items in excess of \$1,000 with a life greater than one year. Depreciation is computed using the straight line method over the useful lives of the assets. The lives range from 39 years for the building, 15 years for building improvements, and 3 to 10 years for furniture and equipment.

**Advertising Costs** – Advertising costs are expensed as incurred. Advertising expense charged to operations was \$855 and \$2,559 for the years ended December 31, 2013 and 2012, respectively.

**Income Taxes** – The Center is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and from state income tax under Section 121(5) of Title 47 of the Louisiana Revised Statutes of 1950. Management believes there are no uncertain tax positions included in the financial statements.

**Use of Estimates** – The preparation of the Center's financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from these estimates.

**Functional Allocation of Expenses** – The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited based on management's estimate.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE B – ACCOUNTS RECEIVABLE**

Accounts receivable at December 31, 2013 and 2012 consisted of the following:

	2013	2012
Public funds	\$ 5,041	\$ 1,250
Grants	4,302	15,218
<b>Total</b>	<b>\$ 9,343</b>	<b>\$ 16,468</b>

**NOTE C – PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following as of December 31, 2013 and 2012:

	2013	2012
Land	\$ 20,232	\$ 20,232
Building and building improvements	160,686	160,686
Furniture and equipment	91,383	91,383
<b>Total</b>	<b>272,301</b>	<b>272,301</b>
Less: accumulated depreciation	(145,228)	(136,155)
<b>Total property and equipment, net</b>	<b>\$ 127,073</b>	<b>\$ 136,146</b>

Depreciation expense for the years ended December 31, 2013 and 2012 was \$9,073 and \$9,807, respectively.

**NOTE D – RELATED PARTY TRANSACTIONS**

For the years ended December 31, 2013 and 2012, the Center had received \$9,000 and \$10,000, respectively, in funding from the National Children's Alliance, an affiliated national organizational of which the Center is a member.

**NOTE E – CREDIT RISK CONCENTRATION AND MAJOR FUNDING SOURCES**

The Center maintains its cash and cash equivalent balances in local financial institutions, which may, at times, exceed amounts covered by Federal Deposit Insurance Corporation (FDIC) insurance of up to \$250,000 per financial institution. The Center's cash balance was not in excess of the FDIC insurance at December 31, 2013 and 2012.

The majority of the Center's revenue is obtained from fundraisers, grants, and contracts for services from the public. Significant variances in these amounts could materially affect the financial statements or the Center's ability to continue operations.

**ST. TAMMANY CHILDREN'S ADVOCACY CENTER, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013 AND 2012**

**NOTE F – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 18, 2013, and determined that no events occurred that require disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.